

DRAFT.....FOR DISCUSSION PURPOSES ONLY.....DRAFT

REPORT TO THE ORDC HUMAN RESOURCES COMMITTEE: POSSIBLE SHORT TERM AND LONG TERM STAFFING NEEDS

October 14, 2009

Background: When it was created in 1994, the staff of the Ohio Rail Development Commission (ORDC) consisted of 25 people. Included on staff were three engineers who were handling highway construction-related rail issues for the Ohio Department of Transportation (ODOT), two track inspectors, one of whom was certified to do railroad appraisals, a property manager/project construction manager, a project development staff of four people, a grade crossing safety staff of six people, a fiscal staff of three people (including the Secretary-Treasurer), one passenger planner, four administrative assistants, and an executive director.

Soon after ORDC was formed, the highway project coordination positions were returned to ODOT with ORDC retaining one engineer for ORDC purposes. Over time, primarily through attrition, the ORDC staffing level was reduced to the current 16 full time employees, one 1,000 hour a year contract employee, and an engineering consultant on retainer for select Safety Section duties as required. Here is the breakdown of the current staff level:

- Executive Director (1)
- Administrative Assistant to the Executive Director (1)
- Secretary Treasurer in Charge of three Person Fiscal Section (4)
- Grade Crossing Safety Section of Six Full Time Positions, One 1,000 Hour Contract Employee, and One Engineering Consultant on Retainer for Plan Review and Special Projects (6 full time)
- One Public Information Officer (1)
- One Passenger Rail Planner (1)
- Project Development Section of two people(2)

OVERVIEW OF CURRENT ORDC STAFF DUTIES

Executive Director/Administrative Assistant

- Coordinate with ORDC Commissioners on administration of ORDC.
- Direct Grade Crossing Safety Section, Project Development Section, Fiscal Section, and Passenger Rail Planning.
- Act as primary legislative liaison for ORDC budget issues as well as ongoing rail issues.
- Act as primary liaison with Governor's Offices in Columbus and Washington DC on issues of interest to Ohio.
- Act as primary liaison with the Ohio Department of Development on special projects such as the Logistics and Distribution Program or select, high profile development projects.

- Act as lead ORDC person for select projects, e.g. coordinating among ODOT and the Governor's Office on 3C passenger rail development, being the point person on the National Gateway, being the point person on the NS Columbus to Cincinnati double stack clearance project, taking the lead on the execution of the ORDC – Host Railroad MOU's, and other such projects.
- Promote ORDC by giving presentations to various public and private groups.
- Other duties as required.

Fiscal Section

- Administer most of the formal staff interaction with ORDC Commissioners including organizing Commission meetings, overseeing the development of Commission packets, and other related duties.
- Administer all GRF-funded project contracting including all grant and loan agreements as well as required checks with OEPA, Taxation, and other agencies (in coordination with project development staff).
- Administer all ORDC payroll and staff and Commissioner travel reimbursement activities.
- Administer all payments made by ORDC to other parties for grants, loans, or for any reason.
- Serve as liaison to the Ohio Ethics Commission for financial disclosure filers.
- Place all orders and manage equipment and supply inventory for office.
- Administer all property management functions for ORDC owned active rail lines (Panhandle, Piney Fork, AC&J, Honda Yard) as well as for railbanked lines (Ohio Southern from South Zanesville to Glass Rock) and abandoned rights-of-way (Ashtabula to Warren).
- Develop biennial budgets and required monthly spending projections.
- Account for all existing ORDC administered funds including \$15 million a year for Safety projects, about \$2 to \$3 million a year for Branchline and Spur Projects, about \$7 million in a two year Diesel Emission Reduction Grant (DERG) program, and about \$1 million a year in administrative expenses.
- Assist ODOT with the contracting and administration of about \$80 million in federal American Recovery and Reinvestment Act (ARRA).
- Help with ODOT Logistics and Distribution Program project evaluation.
- Special projects as required such as submitting the Ohio application for \$564 million in ARRA funds for the 3C and coordinating administrative activities to release other federal funds.
- Coordinate prevailing wage compliance activities.
- Staff ORDC Committees.
- Other duties as required.

Grade Crossing Safety Section

- Administer \$15 million of ODOT Highway Safety Improvement funds for crossing projects a year which usually includes 75 +/- individual projects.

- Administer all grade crossing safety projects identified by ODOT highway projects, Congressional Set-Asides, and Federal Railroad Administration (FRA) Grants. This constitutes approximately an additional \$3 million per year.
- Project administration for “standard” light and gate projects generally includes setting up diagnostic surveys with: local highway authorities, the railroad, the PUCO, FHWA, and other relevant parties, developing the relevant information sheets for the diagnostics, evaluating existing data to determine where diagnostics are needed, evaluating the results of the diagnostic review, evaluating proposed engineering solutions, authorizing the project using the ODOT fiscal system, amending or creating agreements as needed, coordinating with ODOT Districts on environmental reviews when needed, construction inspection, and other tasks needed for project development and implementation.
- Project administration for consolidation projects includes investigating where potential highway closures might be politically feasible, analyzing closure issues such as the impacts on emergency response and the availability of alternative routes, identifying quid pro quo crossing safety improvements which can be used to reward a closure, working closely with local officials on the closure process, attending local council meetings (most of the time in the evenings) to provide testimony about the benefits of a proposed closure, the administrative steps of actual closure implementation, and related tasks, and involvement in PUCO legal proceedings on closures that are petitioned by Ohio Revised Code.
- Project administration for corridor projects wherein all crossings in a single rail corridor are examined for closure, upgrading existing active warning devices, installing active warning devices at passive crossings includes negotiation with particular railroad on funding split, analyses needed to determine which corridor to address, diagnostics on corridors that are selected, and project implementation as described above.
- Project administration for \$23 million in ARRA stimulus grants for crossing improvements.
- Coordination with ODOT of major effort to redefine how the electronic warning devices at grade crossings are interconnected with highway traffic signals thereby providing preemption of the highway traffic signal.
- Participation and membership on AREMA and NCUTCD national committees for grade crossing safety.
- Partnering with PUCO to maintain and update the Ohio Grade Crossing Inventory by entering changes in data base information as new information comes to light.
- Respond to public records requests and other public inquiries.
- Evaluate and respond to all Angels on Track complaints submitted through their Hazardous Crossing Reports. This involves approximately 200 inquiries per year.
- Technical assistance for special projects such as evaluating crossing safety at existing or proposed new grade crossings.
- Other duties as required.

Project Development Section

- Develop Track Rehabilitation and Economic Development/Spur project for presentation to the Executive Director and Commissioners.

- For Track Rehabilitation Program develop the annual project solicitation materials, coordinate with railroads or other applicants on obtaining proper application information, evaluate projects, make recommendations for funding and develop project briefings, develop grant agreements, and other related work tasks.
- For some projects in Track Rehabilitation Program, work with railroads, local official, and shippers on projects that have special circumstances (e.g. the City of Jackson Line, the City of Greenfield Line, the W&LE Carrollton Branch) by coordinating and attending meetings, conducting on site inspections, looking for other funding sources and related work.
- For Economic Development/Rail Spur projects, coordinate with local economic development officials, companies and/or their site development consultants, the serving railroad, and others to determine what role if any ORDC can play.
- Administer awards from the Diesel Emission Reduction Grant (DERG) program for ODOD and OEPA by generating, negotiating and executing the requisite Public Private Partnership (PPP) agreements with railroads applying for funds, developing and negotiating grant agreements for the DERG funds (which flow through ORDC), resolve grant related issues with FHWA and ODOT (ODOD decides where the DERG money will be spent but the funds are highway dollars), and other related tasks.
- Participate in special projects such as the CSX Gateway project, the NS Columbus to Cincinnati double stack, the NS Airline Yard expansion, and other projects.
- Help with ODOD Logistics and Distribution Program project evaluation.
- Help with economic development related (station development) and railroad related (capacity analyses, coordination with Amtrak, railroad MOU's and agreements) and other select parts of the 3C passenger rail effort.
- Other duties as required.

Passenger Planning

- Provide key current and historical rail passenger information and analyses (in the form of reports, power point presentations, or other) to ODOT, passenger rail consultants, federal and state elected officials, the Governor's office, and others for the development of the 3C Corridor Quick Start service.
- Develop any scope of work needed for continued evaluations of the 3C Corridor or other parts of the Ohio Hub.
- Continue a lead role in providing technical assistance to ODOT for the Environmental Assessment (EA) that ODOT is continuing to administer for the 3C Quick Start.
- Continue to help coordinate 3C Quick Start station development.
- Continue to represent Ohio at the Midwest Regional Rail Initiative (MWRRI) by participating in MWRRI meetings in Chicago and elsewhere, by participating in the States for Passenger Rail (S4PR), and related tasks.
- Continue coordination with Ohio Hub partners (Michigan, Indiana, Pennsylvania, New York, Ontario) on developing interstate corridors.
- Continue coordination with local Ohio passenger rail efforts such as the West Shore effort in Cleveland and the Eastern Corridor in Cincinnati.

- Give passenger rail presentations to various public and private groups seeking information.
- Other duties as required.

MAJOR, KNOWN, NEW WORK AREAS FOR ORDC

The 3C Quick Start: To get an Ohio application to the Federal Railroad Administration (FRA) required a massive effort by ODOT and ORDC. This effort, however, is only the tip of the iceberg of work that will result if and when the FRA provides 3C funding. While ODOT will be the major player in getting 3C trains on track, ORDC will continue to play a vital role in charting the course of the work to be done, playing a major role in getting this work done, and especially for coordinating with the host freight railroads. The work load should lessen after trains start running but the continued success of any new operation will require much administration for the foreseeable future. ***ORDC, itself, is not currently staffed sufficiently to fully participate in the Quick Start passenger train development, implementation, and continued improvement and will have to rely heavily on the assistance from ODOT. While the project management plan provides for an outline of delineation of work, new ORDC positions will have to be created for the long term contract management of the service.***

New Federal Funding for Ongoing Passenger Development: President Obama called for at least \$1 billion a year in new federal passenger rail funding for each year of the next five year transportation bill. Currently the US House and Senate are considering proposals for annual passenger rail funding that are multi billion dollars a year. Conventional wisdom is that the continued federal support for passenger rail will be 80% federal funding. Therefore, there is a reasonable possibility that Ohio will look to expand beyond the 3C Quick Start in the next 5 years. That means more studies, more applications, more coordination with host freight railroads and a significant work load for ORDC staff. ***Outcome uncertain but ORDC is not currently staffed sufficiently to participate in future large scale federal passenger rail programs.***

Advancement of Ohio Hub PEIS: ORDC has the lead role in the administration of the \$7 million Programmatic Environmental Impact Statement (PEIS) for four of the seven Ohio Hub corridors. ***This will place a significant strain on ORDC resources in overseeing this contract in conjunction with the other Passenger Rail Efforts underway.***

ARRA Project Implementation: ODOT has enlisted ORDC help to administer about \$80 million in rail projects funded with ARRA stimulus funds. ORDC has or will develop all grant agreements and administer the funds until project completion. ODOT is providing major assistance for these projects in terms of project inspection and environmental clearances and other areas. But a large portion of the burden falls on the ORDC Fiscal Section. The ARRA projects will all be under contract by the end of the year and be completed by 2012. The burden on the fiscal staff will likely be greatest in 2010 and 2011. ***The ARRA projects will significantly strain the fiscal staff until at least 2011 by tremendously increasing the number of invoices it must pay, wage reports it must review, change orders it must handle, and other related issues.***

New Stimulus Projects, National Gateway / US Rail Car: ORDC is the lead agency in the application for a federal Tiger Grant for the CSX Gateway project as well as US Rail Car, LLC.

If either or both projects are funded, ORDC will have a major administrative role in the projects. Using past templates (Heartland Corridor), FHWA will probably assume most of the administration of the National Gateway. However, the National Gateway is complex enough that even handing off responsibility will take significant time and effort. ***The Gateway Project could somewhat challenge the Executive Director and/or key staff for periods of time in 2010 and perhaps 2011. Oversight of the US Rail Car project would most likely create the same challenges as the ARRA Project Implementation above.***

State Rail Plans: New federal law requires that States maintain a State Rail Plan in order to be eligible for federal passenger rail funding as authorized by the Passenger Rail Investment and Improvement Act of 2008 (PRIIA). An Ohio State Rail Plan will be needed to apply for any new funding that might be authorized in the next federal transportation bill. ODOT is currently leading the effort to develop Ohio's first rail plan that meets PRIIA requirements. ORDC is supporting ODOT's efforts. As the plan develops, ORDC's role will increase. The areas of project evaluation and developing a list of potential projects will require significant ORDC staff work. In addition, ORDC staff will need to help with public participation efforts. Once the rail plan is completed, it will need to be updated every two years or so, and every time a new project is added. ***The State Rail Plan will significantly challenge the Project Development staff the rest of 2009 and the first part of 2010. Past 2010, the rail planning requirements will periodically result in a modest strain on Project Development staff.***

Diesel Emission Reduction Grant (DERG) Program: The DERG program is a one time, \$20 million program. ORDC is administering five DERG grants that will distribute about \$7 million of this funding. DERG program projects should all be implemented by the end of 2010 but one might take until 2011 to be implemented. Much of the up-front work on the DERG projects is done and the rest should be completed by the end of 2009 or the first quarter of 2010. The major work after 2010 will be monitoring the projects for five years after completion. Grantees must provide annual reports to be reviewed by ORDC. ***The DERG Program will be a minor addition to the work load. No significant staff adjustment is needed to handle this program.***

Ohio Logistics and Distribution Program: ORDC staff is a critical part of the \$100 million Ohio Logistics & Distribution Program. In the first round of projects, ORDC provided as much or more input into the project development and selection process as ODOD or ODOT. The ODOD administered program is in the second of three years. To adequately assess proposed projects requires many hours of ORDC staff time to read and analyze the application, and many more hours listening to applicant presentations and in joining with ODOD and ODOT to score the applications. Some projects require multiple meetings with the applicant as well as with ODOD and ODOT. In addition, for some rail related projects, ORDC staff has been asked to visit the applicants at their project sites. ORDC participation in the Logistics Program takes up a significant amount of time during a month or so when the projects are being scored. The program will end in 2010. ***The Ohio Logistics and Distribution Program adds significantly to the ORDC staff work load for short periods of time. No significant staff adjustment is needed to handle this program.***

Crossing Inventory Updates: The Ohio Grade Crossing Inventory gives very valuable information about Ohio's 6,300 crossings to anyone who wants it. Unfortunately, as the database

gets older, the information gets older too. ORDC and PUCO safety staffs diligently update the data base when they get new information from their work on various crossings. There is currently a plan to enter into a consultant contract to do a comprehensive update of the system. ***This project will require staff time for contractor selection/oversight for a short period of time. No significant staff adjustment is needed to handle this program.***

SERVICES THAT ORDC IS NOT PROVIDING/STAFF SUPPORT THAT IS NOT AVAILABLE

Engineering Support: When ORDC had a staff engineer, ORDC would occasionally provide technical support to local communities or to businesses. For example, ORDC generated a rail study of the Lima area that laid out conceptual plans for how to build rail into various industrial parks and development sites in the area. And ORDC generated a conceptual engineering report to demonstrate the feasibility and costs of building rail into a site that ODOD wanted to demonstrate could be rail served. While the ORDC engineer was only occasionally called upon to help external clients, he was used more frequently by other ORDC staff people to help resolve problems. If ORDC currently had a staff engineer on board for the last year, he or she would have been asked to help out by others on at the ORDC on about 8 to 10 bridge issues, one subsoil issue, one tunnel issue, an assortment of issues relating to the Woodside capacity study, an assortment of issues relating to station development, and other freight and passenger issues. In addition, he or she would have been asked to provide assistance to one or two companies seeking help to determine if a rail spur would fit a particular site. Most of these engineering issues have, however, been addressed by ORDC by hiring consultants, by locals hiring consultants, or by the railroad involved. What has been lacking in many instances is timely response, a deeper understanding of the issues at hand, and an ongoing “institutional memory” about the issue at hand.

Appraisal Support: When ORDC had two track inspectors, one was a certified railroad appraiser. ORDC periodically used his services to help provide information to ORDC or to one of our outside constituents. Currently, ORDC hires appraisers on occasion on an as needed basis and provides outside constituents no appraisal services.

Track Work Estimates: When ORDC had a track inspector, he would occasionally provide local communities with cost estimates for track repair. These requests were very limited because usually the serving railroad would provide a cost estimate. This service was most valuable for prospective spur project development.

Participation in MPO Planning: ORDC has good relations with most Ohio Metropolitan Planning Organizations (MPO) because we have worked with most on a rail projects from time to time. However, some MPO’s consistently request that ORDC join in their multi-modal planning efforts. Unless ORDC has a specific project being considered, we almost always decline to participate with individual MPO planning efforts.

EVOLVING ISSUES WITH ORDC STAFF SIZE AND DUTIES

Safety Staff Filling in For Track Inspection Duties: When the last ORDC track inspector retired 5 years ago, the track inspection duties were picked up by two Safety section employees (Mr. Forte and Mr. Perkins), and to a much lesser degree, one Project Development employee (Mr. Jannazo). All passed short basic track inspection courses and now inspect Track Rehabilitation and Economic Development Spur projects before final payments are made. (The serving railroad also inspects work on spur projects. The railroads also inspect work on Rehabilitation Program projects and almost always pay for at least 50% of the work.) The Safety personnel inspecting Rehabilitation and Spur projects clearly leaves them less time for grade crossing safety projects. It also allows little to no opportunity to field oversight during project construction.

Project Development Staff Filling in For Grants Coordinator: The one and only freight project person in the Project Development section (Ms. Lee) spends most of her time doing the work of a recently retired ORDC employee who acted as the grants coordinator. This grant coordination effort requires the development of grant agreements for every project approved by the Commission or Chair and Director. In addition, this effort requires checking with Taxation and OEPA on the grant or loan recipient, tracking grant agreements from development to execution, developing any amendments that are needed, renewing grants when they expire, and related tasks. Taking on the grant coordination duties meant that most of the project development duties fell to the Chief of the Project Development section (Mr. Jannazo).

Property Management Function Warrants More Attention: ORDC has not acquired any new property for many years. The property management function, however, has increased dramatically. The renewal of the Panhandle lease, or the sale of the Panhandle, has become an ongoing issue that has involved more staff time and effort than any other property management issue ORDC (or its predecessor ODOT Rail) ever faced. What had been a rather perfunctory once a year effort to make sure the Columbus & Ohio River Railroad was living up to the operation agreement that was handled without any fanfare, is now a major policy issue that involves the Executive Director, the Secretary Treasurer, the Chief of Project Development, the staff attorney, other staff and several Commissioners. In addition Ohi-Rail announced at a recent Commission meeting that it desires to buy the Piney Fork from ORDC. And ORDC still owns the Glass Rock Branch that has no rail service but has a group that wants to start a tourist railroad on the line. ORDC staffing does not currently allow for regular in-person inspections of ORDC-owned property, except in cases of complaints. Where property management was only a few years ago handled by one fiscal staffer with occasional help from others, it is now an issue that requires significant staff time.

Passenger Development Efforts Require New Roles for Passenger Planner and Others: Up until a few years ago, the ORDC passenger planner (Mr. Damron) handled almost all passenger issues at ORDC. The Executive Director would from time to time deal with passenger policy issues but the work load was squarely on the one planner. At some times in the past, the passenger planner had time to take on other duties such as helping the Safety Section with some special projects and helping develop a freight study for Lima. Those days are past. Now the Executive Director is very much involved not only in policy work, but many of the details of

passenger development. Similarly, members of the Safety Section have taken on passenger tasks as has the Chief of Project Development and the Secretary Treasurer. The bottom line is that the passenger planner has more work than he can handle and many others have pitched in to help at the expense of some of their other duties.

Changing Railroad/Transportation Industry and Emerging Trends: ORDC has little in the way of staff resources available to monitor the continuing changes in the rail and transportation industries and to determine how these changes could impact Ohio. Rail line congestion and capacity are at the forefront, with freight traffic expected to increase dramatically over the next two decades. The ORDC should be working to maximize railroad investments in Ohio and to leverage ORDC's relatively small budget to best position the state. ORDC should be monitoring emerging manufacturing and shipping markets such as solar panels and wind turbine components, in consultation with other state agency partners, to determine how to best bring new investments to Ohio. ORDC should also be monitoring green technology initiatives and providing assistance to Ohio railroads and manufacturers to develop and deploy these technologies to the benefit of Ohio's economy and environment.

Federal Framework/Focus: All indications are that future federal transportation authorization legislation will include a focus on promoting a multi-modal transportation network. The ORDC should be involved in actively supporting this agenda and in identifying and planning projects.

CONCLUSIONS

Too Many Holes in the Dike: With the work load increasing, and staff level declining or static, ORDC has adjusted by "robbing Peter to pay Paul." We have taken from the Safety staff to fill a hole in the inspection function. We have taken from the Project Development staff to fill a hole in the grants coordination function. We have used people from every part of the agency to fill holes in the property management function. We have used people from every part of the agency to fill holes in the passenger development function. The problem is that for every hole we have filled, another hole appears somewhere else.

ORDC must be cognizant that the State of Ohio is facing difficult budget times and that it is not a propitious time to propose big staff increases. ORDC needs to consider all the tools that might be available to it to start filling some of the holes in the dike without creating new holes. We need to examine:

- Evaluating current ORDC activities to ensure that they are essential to the agency.
- More effectively using existing staff including training and retraining opportunities.
- More effectively using available ODOT resources.
- Using limited contract employees (e.g. 1,000 hour contracts, limited retainer contracts, interns, etc.)
- Developing new staff positions that best suit long term needs and can be justified in times of tight budgets.
- Combinations of the strategies above.